



**U.S. Immigration
and Customs
Enforcement**

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News Release

SECOND U.S. ARMY OFFICER ARRESTED IN CASE INVOLVING BRIBERY, FRAUD AND MONEY LAUNDERING SCHEME IN AL-HILLAH, IRAQ

WASHINGTON, D.C. - A lieutenant colonel in the U.S. Army Reserve has been arrested on charges of conspiring to commit bribery, money laundering, possession of automatic weapons, theft, and wire fraud in connection with a scheme to defraud the Coalition Provisional Authority - South Central Region (CPA-SC) in Al-Hillah, Iraq, the Department of Justice announced today.

Debra Harrison, 47, of Trenton, New Jersey, was arrested today and is currently in custody. In 2003 and 2004, Harrison, a civil affairs officer, was on active duty for the U.S. Army, and assigned to duty with the CPA-SC in Al-Hillah, Iraq, where she was responsible for developing and ordering contracts and contract solicitations on which the CPA expended funds in the reconstruction efforts of Iraq. Harrison also served as the assistant to the Comptroller and Funding Officer for the CPA-SC region and became the Acting Comptroller and Funding Officer for the CPA-SC around April 2004.

According to an affidavit filed at U.S. District Court in the District of New Jersey, beginning in 2003, CPA officials and a contractor conspired to rig the bids on contracts being awarded by the CPA-SC so that numerous contracts were awarded to the contractor's businesses. The affidavit alleges that Harrison and her co-conspirators accepted money and gifts in return for using their official positions to award contracts to the contractor and his companies.

Harrison is accused of accepting a Cadillac Escalade worth approximately \$50,000 and a \$6,000 airline ticket from the contractor in return for official action that benefitted the contractor. The affidavit also alleges that CPA officials, including Harrison, stole CPA funds and laundered that money, and smuggled some of the currency into the United States. According to the affidavit, Harrison allegedly stole between \$80,000 and \$100,000 in CPA funds which she used to make improvements on her home in Trenton.

Harrison is also charged with numerous firearms charges, including conspiracy to embezzle and possess numerous .45 caliber pistols, 5.56 and 7.76 caliber automatic machine guns, and several grenade launchers that were purchased with CPA-SC funds. According to the affidavit, Harrison

and her co-conspirators used CPA funds to purchase dozens of firearms and related military-grade hardware in North Carolina, which they then converted to their own personal use.

If convicted, Harrison faces up to 30 years in prison, a three-year term of supervised release, and a fine of \$250,000.

Harrison is the second U.S. Army officer and the fourth defendant to be charged in the Department of Justice's ongoing investigation into bribery, money laundering and fraud by U.S. government officials and contractors in Iraq.

On Nov. 13, 2005, Philip Bloom, a U.S. citizen living in Romania and Iraq and the owner and operator of numerous construction and service companies doing business in Iraq, was arrested in connection with the investigation. On Nov. 14, 2005, Robert J. Stein of Fayetteville, North Carolina, the Comptroller and Funding Officer for the CPA-SC, was arrested. Both Stein and Bloom remain in custody. Michael Wheeler of Amherst Junction, Wisconsin, a lieutenant colonel in the United States Army Reserves, was arrested on Nov. 20, 2005.

A complaint is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

These cases are being prosecuted by Trial Attorneys Mark Yost and Patrick Murphy of the Asset Forfeiture and Money Laundering Section, headed by Section Chief Richard Weber; and Trial Attorneys James A. Crowell IV and Ann C. Brickley of the Public Integrity Section, headed by Section Chief Noel L. Hillman of the Department of Justice, Criminal Division.

These cases are being investigated by the Special Inspector General for Iraq Reconstruction, IRS Criminal Investigations, U.S. Immigration and Customs Enforcement (ICE) at the Department of Homeland Security, and the U.S. Department of State Office of Inspector General.

ICE

U.S. Immigration and Customs Enforcement (ICE) is the largest investigative arm of the Department of Homeland Security (DHS). ICE seeks to prevent acts of terrorism by targeting the people, money and materials that support terror and criminal networks.